

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA

v.

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EDUORA McDANIEL a/k/a
EUDORA McDANIEL, and
ANGELA HUNTER a/k/a
ANGELIA HUNTER

18CR310

CRIMINAL NO. H-18-

United States Courts
Southern District of Texas
FILED

JUN 07 2018

David J. Bradley, Clerk of Court

INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment:

COUNT ONE

(Conspiracy to Commit Wire Fraud, 18 U.S.C. § 371)

A. INTRODUCTION

1. The Department of Veterans Affairs (VA) was an agency of the United States government. The Veterans Healthcare Administration (VHA) was the division of the VA that provided health care benefits to honorably discharged United States military veterans. The VHA operated medical centers throughout the country, including the Veterans Affairs Medical Center in Houston, Texas (VAMC), which provided healthcare benefits, items, and services to veterans.
2. The VHA provided prosthetic equipment (PE) to veterans based on medical

necessity as determined by a VHA physician. When a VHA physician found that PE was medically necessary, the physician entered, or caused to be entered, a “consult” into the VHA computer system in order to allow the prosthetics department to procure the PE from outside vendors for the veteran. This “consult” was akin to a prescription for PE. These prescriptions or “consults” were for items such as ramps, lifts, and wheelchairs. “Consults” were valid for one calendar year, but representatives in the prosthetics department could “clone” or re-use a consult within one year of the original consult if the original PE needed repair.

3. **EDUORA McDANIEL, a/k/a EUDORA McDANIEL (McDANIEL)** was an employee of the VAMC in Houston, Texas in the prosthetics department. As a prosthetics representative, **McDANIEL** was responsible for coordinating the acquisition and delivery of PE to patients after a “consult” was entered into the VHA computer system. As a prosthetics representative, **McDANIEL** was authorized to obtain estimates, issue purchase orders, and pay vendors who provided PE to veterans. **McDANIEL** used government-issued VISA credit cards to pay vendors for providing PE to veterans.

4. **ANGELA HUNTER a/k/a ANGELIA HUNTER (HUNTER)** was the co-owner of Divine Iron Works (DIW). DIW was classified by the VA as a vendor approved to provide PE to veterans served by the VAMC. As an approved vendor, DIW was set up to receive payments from VA representatives’ government-issued

VISA credit cards through a Chase banking platform called Chase Paymentech.

After fulfilling a consult, the vendor would input a government-issued VISA credit card number and purchase order authorization provided by a VA representative into a point of sale terminal in Texas. The electronic entry into the point of sale terminal in Texas caused a wire payment from outside of Texas to the vendor's Chase Paymentech account.

5. From January 2011 to December 2014, DIW was effectively defunct and provided no actual goods or services to the VA.

B. THE CONSPIRACY

6. From in or about January 2011 and continuing through in or about December 2014, in the Houston Division of the Southern District of Texas and elsewhere,

**EDUORA McDANIEL a/k/a EUDORA McDANIEL and
ANGELA HUNTER a/k/a ANGELIA HUNTER**

defendants herein, did knowingly combine, conspire, confederate, and agree with others known and unknown to commit the following offense against the United States:

To use interstate wire facilities for the purpose of executing a scheme and artifice to defraud and for obtaining money or property by means of material false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1343.

C. MANNER AND MEANS OF THE CONSPIRACY

7. Defendants sought to accomplish the purpose of the conspiracy by:
 - a. Creating fake and fraudulent purchase orders;
 - b. Causing payments to issue from **McDANIEL'S** government-issued VISA credit cards for non-existent PE and services;
 - c. Dividing the proceeds of VA payments for non-existent PE and services.

D. ACTS IN FURTHERANCE OF THE CONSPIRACY

8. On or about January 13, 2011, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "GO."
9. On or about June 27, 2012, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "SL."
10. On or about June 29, 2012, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "RB."
11. On or about January 29, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "RB."
12. On or about February 16, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "JS."
13. On or about May 8, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "AL."

14. On or about June 11, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “JS.”
15. On or about June 11, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “DB.”
16. On or about July 16, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “EG.”
17. On or about July 18, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “AD.”
18. On or about July 22, 2013, **HUNTER** paid **McDANIEL** \$5,000 cash from fraudulent VA payments she had been paid from **McDANIEL’S** government-issued VISA credit card.
19. On or about July 22, 2013, **McDANIEL** deposited \$4,500 of **HUNTER’S** \$5,000 VA fraud proceeds payment into one of **McDANIEL’S** bank accounts.
20. On or about October 18, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “RB.”
21. On or about October 24, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “IH.”
22. On or about November 22, 2013, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are “CH.”

23. On or about January 22, 2014, **McDANIEL** issued a fraudulent purchase order for DIW to provide PE to a veteran whose initials are "EG."

COUNTS TWO-TEN

(Wire Fraud, 18 U.S.C. § 1343 and 2)

A. INTRODUCTION

1. Paragraphs 1 through 23 of Count One of this Indictment are incorporated herein by reference as if set forth in their entirety.

B. THE SCHEME TO DEFRAUD

2. From in or about January 2011 and continuing through in or about December 2014, the defendant,

EDUORA McDANIEL a/k/a EUDORA McDANIEL

aided and abetted by others known and unknown to the grand jury, did knowingly execute and attempt to execute a scheme and artifice to defraud, and for obtaining money and property from the VA by means of material false and fraudulent pretenses, representations, and promises.

C. THE MANNER AND MEANS OF THE SCHEME

3. The defendant fraudulently input, or caused to be input, fictitious vendor purchase orders to divert money from the VA to herself and others.

D. EXECUTION OF THE SCHEME

4. On or about the dates specified below, within the Houston Division of the

Southern District of Texas and elsewhere, the defendant, for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, sign, signals, pictures and sounds, as more particularly described below:

Count	Date	Description
2	6/13/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$1337 to DIW.
3	6/13/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$345 to DIW.
4	6/13/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$934 to DIW.
5	7/18/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$1,209.18 to DIW.
6	7/18/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$828 to DIW.
7	10/21/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$728 to DIW.
8	10/24/13	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a

		computer outside of Texas causing a payment of \$788 to DIW.
9	11/26/2013	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$828 to DIW.
10	1/28/2014	McDANIEL input or caused to be input a falsified request for payment from a computer in Texas to a computer outside of Texas causing a payment of \$802.18 to DIW.

In violation of Title 18, United States Code, Section 1343 and 2.

COUNT ELEVEN

(Theft of Government Funds, 18 U.S.C. § 641 and 2)

Beginning in or about January 2011, and continuing through in or about December 2014, in the Southern District of Texas and elsewhere, the defendant,

EDUORA McDANIEL a/k/a EUDORA McDANIEL

did knowingly and willfully embezzle, steal, purloin, and convert to the defendant's use and the use of another, more than \$1,000 of money and a thing of value of the United States and the Department of Veterans Affairs, a department and agency of the United States, that is, payments for fictitious vendor services, with intent to deprive the United States and the Department of Veterans Affairs of the use and benefit of the money and thing of value.

In violation of Title 18, United States Code, Section 641 and 2.

NOTICE OF CRIMINAL FORFEITURE
28 U.S.C. Section 2461(c); 18 U.S.C. Section 981(a)(1)(C)

Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendants,

**EDUORA McDANIEL a/k/a EUDORA McDANIEL and
ANGELA HUNTER a/k/a ANGELIA HUNTER**

that in the event of conviction of the offense charged in any count of this Indictment, the United States intends to seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses. The amount of proceeds subject to forfeiture is believed to be at least \$500,000.

Money Judgment

Defendants **EDUORA McDANIEL a/k/a EUDORA McDANIEL and
ANGELA HUNTER a/k/a ANGELIA HUNTER** are notified that upon conviction, a money judgment may be imposed against each defendant.

Substitute Assets

Defendants **EDUORA McDANIEL a/k/a EUDORA McDANIEL and
ANGELA HUNTER a/k/a ANGELIA HUNTER** are notified that in the event that one or more conditions listed in Title 21, United States Code, Section 853(p) exists, the United States will seek to forfeit any other property of the defendant up to the total value of the property subject to forfeiture.

A TRUE BILL

Original Signature on File

~~Foreperson of the Grand Jury~~

RYAN K. PATRICK
United States Attorney

By:

Belinda Beek

Belinda Beek
Assistant United States Attorney
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